

**STATE OF MICHIGAN**  
**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**OFFICE OF FINANCIAL AND INSURANCE REGULATION**  
**Before the Commissioner of Financial and Insurance Regulation**

**Office of Financial and Insurance Regulation,  
Petitioner**

**v**

**Thomas G. Frost  
System ID # 0451581,  
Respondent**

**Enforcement Case No. 10-8588**

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**For the Petitioner:**

**Conrad Tatnall  
Office of Financial and Insurance Regulation  
P.O. Box 30220  
Lansing, MI 48909-7720**

**For the Respondent:**

**Thomas G. Frost 254469  
P.O. Box 3009  
Cerbac Unit  
ASP – Kingman  
Kingman, AZ 86402**

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**Issued and entered  
this 12<sup>th</sup> day of December 2011  
by R. Kevin Clinton  
Commissioner**

**FINAL DECISION**

**I. BACKGROUND**

On July 22, 2011, Chief Deputy Commissioner Annette Flood issued an Administrative Complaint and Order for Hearing in this case. The administrative complaint alleged that Respondent was convicted of a felony in the state of Arizona in March 2010. It was also alleged that Respondent failed to disclose the convictions to the Commissioner as required under Michigan law.

The order for hearing required Respondent to take one of the following actions within 21 days: agree to a resolution of the case, file an answer to the allegations stated in the Order with a statement that Respondent plans to attend the hearing, or request an adjournment. Respondent failed to take any of these actions.

On November 22, 2011, the staff of the Office of Financial and Insurance Regulation filed a Motion for Final Decision. Respondent Frost did not respond to the motion. Given Respondent's failure to take one of the actions required by the order for hearing and his failure to

answer the motion for final decision, the staff's motion is granted. The administrative complaint, being unchallenged, is accepted as true. Based on the administrative complaint, the Commissioner makes the following findings of fact and conclusions of law.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. At all times relevant to this matter, Respondent was a licensed nonresident producer in the state of Michigan with qualifications in accident and health and life.
2. On February 26, 2009, Respondent was charged with aggravated assault, a felony, in the Superior Court of Arizona. On March 2, 2010, the Superior Court of Arizona accepted Respondent's plea of guilty to felony aggravated assault. Respondent was sentenced to three and one-half years imprisonment.
3. Section 1239(1)(f), MCL 500.1239(1)(f), of the Michigan Insurance Code (Code), allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under section 1244 of the Code, MCL 500.1244, for "[h]aving been convicted of a felony."
4. Respondent did not report this conviction to the Commissioner as required by section 1247(2) of the Code, MCL 500.1247(2), which provides:

Within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

5. On January 11, 2010, the Commissioner of the Kentucky Department of Insurance issued an order revoking Respondent's nonresident insurance agent license.
6. Section 1239(1)(i) of the Code, MCL 500.1239(1)(i), allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under section 1244 of the Code, for "[h]aving an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory."
7. Section 1244(1) of the Code, MCL 500.1244(1), provides:

If the commissioner finds that a person has violated this chapter, after an opportunity for a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:

- (a) Payment of a civil fine of not more than \$500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the commissioner may order the payment of a civil fine of not more than \$2,500.00 for each violation. An order of the commissioner under this subsection shall not require the payment of civil fines exceeding \$25,000.00. A fine collected under this subdivision shall be turned over to the state treasurer and credited to the general fund of the state.
- (b) A refund of any overcharges.
- (c) That restitution be made to the insured or other claimant to cover incurred losses, damages, or other harm attributable to the acts of the person found to be in violation of this chapter.
- (d) The suspension or revocation of the person's license.

### III. ORDER

Based on the Respondent's conduct and the applicable law cited above, the nonresident insurance producer license of Respondent Thomas G. Frost is revoked.



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R. Kevin Clinton  
Commissioner